



Town of Topsfield FINANCE COMMITTEE

8 West Common Street, Topsfield, Massachusetts 01983

April 7, 2008

Citizens of Topsfield
Topsfield, Massachusetts 01983

**RE: Town of Topsfield Fiscal Year 2009 Revenue and Expense Plan
Finance Committee Overview and Recommendations**

Dear Fellow Citizens:

In accordance with the bylaws of the Town of Topsfield, we the members of the Finance Committee, have completed our review of, and prepared recommendations regarding, the Town's Operating Budget for fiscal year 2009 (FY09) and for other Warrant Articles to be voted upon at the Annual Town Meeting scheduled to be held at 7:00 PM on May 6, 2008. The proposed budgets were prepared by department managers with reference to guidelines established by the Finance Committee. These guidelines called for no new government and allowed for a 2% inflation adjustment for non salary and wage accounts. The additional Articles were placed on the Warrant by the Board of Selectmen on their own behalf, on behalf of other Town Boards or by Citizen Petition. This letter outlines some of the significant issues and facts that our committee has considered. You may find these important to your decision making process.

The FY09 budget recommended by the Finance Committee includes total appropriations in the amount of \$21,522,841 representing an increase of 2.53% over FY08. After making adjustments for state aid and other revenue and assessments, the resulting total to be raised through real estate taxes will be \$16,081,252, an increase of 3.78% over the current year. This increase includes additional funding for Snow and Ice and bringing the Conservation Commission personnel costs into General Operating Budget Article 3rd.

The FY09 budget reflects the impact of all costs associated with annual pay raises for non-union town employees, including step raises in accordance with the currently applicable pay grid, which was increased 2.7% over FY08 rate, and longevity bonuses as recommended by the Town Administrator. The budget also reflects increases in personnel costs that have been agreed to under collective bargaining agreements with union employees by the Selectmen.

Included among the contributing factors to the increases in the proposed budget are the following:

- Public Safety – The Public Safety budget has been increased by \$46,565 or 2.28% for FY09. This increase is consistent with the recommended Finance Committee guidelines.
- Elementary Schools – The elementary school budget for FY09 has increased by \$177,898 or 3.0% over the previous year. This increase is consistent with the recommended Finance Committee guidelines.
- Public Works and Facilities – This budget has been increased by \$76,772 or 10.61% for FY09. This growth in spending is largely related to the increase in Snow and Ice of

\$57,998. Snow and Ice has been historically underfunded. This adversely affects the following year's free cash.

- Masconomet Regional School – The Topsfield Assessment for the Masconomet Regional School budget for FY09 has increased by \$336,736 or 6.24%. This was within the guidelines given to Masconomet by the finance committees of Topsfield, Boxford and Middleton.

In addition to the above discussed items the FY09 recommended budget includes capital expenditures in the amount of \$101,812. While our recommendation represents a relatively small number of the numerous requests, we, in concert with the Selectmen's office, believe the proposed expenditures to be financially prudent. We encourage you to review the warrant for our specific recommendations. We should point out that the Finance Committee supports the capital expenditures and believes them to be important to the operation of our Town. We recommend your consideration of these expenditures.

The Topsfield Finance Committee believes its recommendations are consistent with the ideals of our community and are responsive to the needs of the taxpayers. We have taken advantage of all available cost savings and revenue sources in order to propose a budget that remains within Prop 2 1/2 guidelines. It is likely that many of these measures will not be available in FY10, increasing the likelihood of a override in FY10. We encourage you to participate in the annual Town Meeting and to give careful consideration to both the immediate and long-term implications of all of the important decisions before you.

In response to floor discussion at the FY08 Town Meeting, additional detail for each budget addressed in this Warrant, including Other, is available on the Topsfield website:

<http://www.topsfield-ma.gov/index.shtml>.

Respectfully submitted,

Topsfield Finance Committee

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